



start something new

Banglalink Digital Communications Limited



How Fixed Asset Increases the Sustainability of the Company

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Subject: Submission of Internship report on Banglalink Digital Communications Limited.

Dear Ma'am,

I am Sifat Khandaker Shoily, ID: 11204080, a student of BRAC Business School from BRAC University. This is to inform you that I have completed the report on my three month period internship on Banglalink Digital Communications Limited regarding the topic, "How fixed assets increase the sustainability of the company". Fixed asset plays an important role for the future of the company and in this report; I have tried to mention the advantages and necessity of fixed asset for a telecom company to maintain its sustainability.

While writing this report, I have tried to follow the instructions thoroughly given by you and as well as an insight of my understanding regarding this topic. However, I will be delighted if you cordially can provide me your valuable feedback on this report and also evaluate my effort for this.

Thank You

Sincerely Yours,

Sifat Khandaker Shoily

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BRAC University

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EXECUTIVE SUMMARY

The telecommunication sector of Bangladesh has been booming with the current six companies that are operating. The telecommunication sector of Bangladesh commenced with small steps in 1989 when the license to a private operator was issued for the provision of inter alia cellular mobile services to strive with the previous monopoly provider of telecommunications services, the Bangladesh Telegraph and Telephone Board (BTTB). In the late 1990s, remarkable number of fixed and mobile services made their mark in Bangladesh. Thus, the number of services in operation has increased in the past fifteen years. Undoubtedly, the measures taken by the government and public sector have facilitated to grow this sector. Bangladesh, a highly populated market has attracted many foreign investors to invest in this sector.

Fixed assets are very important for the business. Well we can say that without a fixed asset a company cannot physically exist. Fixed assets help a businessman to perform his activities and duties in the best way. Varieties of fixed asset make a businessman versatile in every activity of business.

In 2015, Banglalink undertook a project on the fixed assets verification, which was mainly comprised of the physical assets verification of the company. Banglalink being a telecommunication company, its main fixed assets are the BTS (Base Transceiver Station) equipment that is situated on different regions across the country. This verification or auditing of fixed assets was previously done by a third party auditor. PITS (physical inventory taking sheets) consists the numbers of the physical assets that were visually seen on the sites. The PITS was a hardcopy done by the auditors manually by visiting every single site. This had to be compared with the softcopy document FAR (fixed asset registrar) which was a spreadsheet document containing all the lists of the physical assets along with the numbers of the assets that should have been on the sites as those were purchased.

INTRODUCTION

Banglalink is one of the leading telecom companies of Bangladesh. Along with five other competitors, Banglalink has proudly acquired the second position in the country. They began their operation in the year 2005 with the name Sheba Telecom, which later changed to Banglalink Digital Communications Limited.

Banglalink, being a telecom company, it has to create a market for the mass people. And to create or enhance that market, the company's core idea was to set up its connection tower throughout the country. This would give the company a wider range of subscribers and popularity. Hence, Banglalink initiated its success by directly appealing to the mass people i.e.; the rural population of Bangladesh. Banglalink plays a crucial role in challenging communication environment and socio-economic changes of a developing country. In the past decade there has been a rapid change in the communication of Bangladesh leading to an increase number of Telecom industries. At the same time telecommunication area is becoming wider as well as services are becoming easier and faster.

Fixed assets play an important role for any company to grow in the future. Similarly, for a telecom company fixed assets are an essential part. Without fixed asset any organization cannot perform its operation properly. For Telecommunication Company its fixed asset is main element to run its operation and business.

During my internship in Banglalink, I was appointed in Finance department because Banglalink undertook a project on the fixed assets verification, which was mainly comprised of the physical assets verification of the company. Banglalink being a telecommunication company, its main fixed assets are the BTS (Base Transceiver Station) equipment that is situated on different regions across the country. This verification or auditing of fixed assets was previously done by a third party auditor. The external auditors used to audit the physical fixed assets of the company and submit a report to the fixed asset team of the company. We were four interns who were working on that verification of fixed asset.

While working for fixed asset project for three months in Banglalink, I have come to know about their importance of fixed asset.

CHAPTER ONE

1.1 Industry overview:

The telecommunication sector of Bangladesh has been booming with the current six companies that are operating. The telecommunication sector of Bangladesh commenced with small steps in 1989 when the license to a private operator was issued for the provision of inter alia cellular mobile services to strive with the previous monopoly provider of telecommunications services, the Bangladesh Telegraph and Telephone Board (BTTB). In the late 1990s, remarkable number of fixed and mobile services made their mark in Bangladesh. Thus, the number of services in operation has increased in the past fifteen years. Undoubtedly, the measures taken by the government and public sector have facilitated to grow this sector. Bangladesh, a highly populated market has attracted many foreign investors to invest in this sector.

Multinational companies keep seeking for opportunities to expand their business globally. As a result, multinational companies in the telecommunication industry are trying to expand into the markets with higher growth rate. Coincidentally, Bangladesh telecom industry market has created a lot of investors to explore the opportunities. Many foreign investors are willing to invest in telecom sector of Bangladesh. It has been forecasted that the average revenue from the telecom sector will be BDT 1500 crore Taka per year. Bangladesh is critically gifted with a dense population and also has the ability with an easily extendable coverage. Therefore, this market has become a perfect fit for telecom business due to the infrastructure and low tele-density. The sector has a very high demand and large consumer base. In addition to that, the government has made the access of foreign investment policy easier without any restrictions. However, the existing infrastructure is not enough established, but it is suitable for foreign investment.

The key economic indicators showed that the inflow of foreign direct investment (FDI) grew by 26% with the telecommunication sector making highest growth rate in the 2008-09 fiscal year than the previous fiscal year. A total of around US \$430 million was invested in the country's telecommunication sector, particularly by fast-growing phone companies in the fiscal year 2009, a recent study of Bangladesh Bank reveals. The government encourages the private sector to invest more in this industry. The industry can be used to maintain a vibrant role in evolving the socioeconomic structure of the country. Therefore, to assure that the gov-

ernment has taken numerous efforts, among which the most effective one was to approve the private sector with the license for fixed telephone.

1.2 Role of telecommunication sector in Bangladesh

It is believed that the largest structure of privatization in Bangladesh was possible due to the investment of different telecommunication companies. The foreign direct investment (FDI) in this sector was BDT taka 30 thousand crore till September 2008. According to world famous reports, if the usage of mobile phones in developing countries increases by 10%, government revenue will increase by 1.2% in a year. Moreover, it plays a significant role to develop the economic condition of Bangladesh.

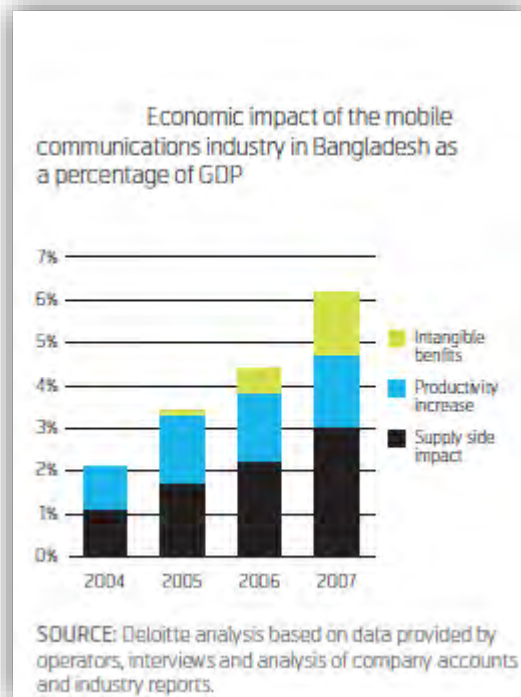
- Job creation and reduced unemployment. When a multinational enters into a country, it creates a huge employment opportunity for its population. Telecom companies are huge companies with loads of availability of job in various departments. A study show, till 2008, 6 lakh 75 thousand people of our country are directly or indirectly involve in this sector for job and 15% are women. So we can also say that this sector helps in women empowerment.

Contribution to employment from the mobile value chain in Bangladesh

Employment Impact	Number of employees (FTE)	Number of employees including multiplier
Mobile network operators	9,380	9,380
Fixed operator	1,120	1,570
Network equipment suppliers	13,180	18,450
Other suppliers of capital items	4,450	6,230
Handset distributors and retailers	10,360	14,500
Support services	3,100	3,700
Airtime and SIM distributors and retailers	39,930	55,900
CICs	950	1,320
Total FTE	82,460	111,700

- Sources of Government Income and Revenue. It is one of the largest sectors for the government to get revenue from. The multinationals have a very large investment base and due to that the return is also higher. And as a result, the government gets higher revenue which it can use for the betterment of the society. The contribution of

telecom sector in our country's total GDP is around 5.83% (provisional) as of 2010 and the major portion of this contribution comes from the mobile phone companies. Till September 2008, the contribution of this sector to our economy was BDT Taka 20 thousand crore which was about 8% of the total revenues.



- Listed in Stock Market in Bangladesh. Though telecom industry started its business in private sector but currently phone has been listed in stock market and offered shares to the public about BDT Taka 486 crore which is a good sign for this sector. This helps to operate the business and also create a positive public image to the mass people of the country.
- Dramatic Changes in Communication System. Cellular phone has brought a number of drastic changes to our communication system and also our society. Life has become fast, easier and comfortable in terms of business and society. By using mobile phones, we can connect all over the world within a short period of time and can share information throughout.
- Develop Corporate Culture and Make more competitive. Telecom sector, especially mobile phone Company is the pioneer to establish the corporate culture in Bangladesh. Nowadays, most of the private organization as well as some of the public companies try to practice this culture. This makes the market more competitive and the

employee, government and people can get benefitted by practicing this organizational culture.

- CSR and Telecommunication. The telecommunication sector plays an important role in order to contribute to health, education, environment, sports and all other social sector as corporate social responsibility (CSR). We have seen that companies contribute to cancer hospitals, provide scholarships to the students and arrange different types of program for human development also. The companies help in the beautification of different cities, provide funds and relief in different areas, health line and service. Moreover, the telecommunication sector acts as a member of the society.

1.3 Challenges of Telecommunication industry in Bangladesh

Problems and prospects of any business sector are related to its strengths, weaknesses, opportunities and threats. However, the issues with any business sector depend on the country's political, economic, sociocultural and technological environment. And the telecommunication sector of our country along with numerous advantages had to face challenges.

- Poor economic background. Bangladesh, being a least developed or developing country, has a poor economic background where the majority of the population is under poverty line. Therefore, it is very challenging to maintain such kind of business with a remarkable profit. The telecom companies might have to sacrifice most of their luxuries to operate in such country like Bangladesh.
- Unstable political situation. Since ages we have seen that Bangladesh is not a political stable country. We have had problems like strikes, political violence, corruption and many more. Therefore, these problems have made this sector insecure. This reduces the foreign direct investments (FDI) in the country. And we can see that due to the ups and downs of the political situations, we don't have any more investments in this sector.
- High rate of Corporate Tax. Due to the economic condition of Bangladesh not being stable enough, it is difficult for any sector including the telecommunication sector to make much profit. Moreover, the companies have to pay high corporate tax which is around 40%-45% approximately. This makes it difficult for the telecom companies to cover along with the high operation costs. In addition to that, the companies also have

to pay the Mobile SIM tax which was supposed to be paid by the subscribers, but to retain higher customers and sales; the companies bear the tax costs by themselves. This is a great challenge for the telecom companies.

- Import tax. Bangladesh is not much advanced in terms of technological aspects. And telecommunication sector is highly relied on technology, regarding their network, handsets and services that are to be provided. Hence, the mobile companies have to import technologies, handsets and other equipments from various countries like China, and for this they are to pay 35% import tax. It is a huge amount of burden on the telecommunication sector depending on the amount of profit that they make.
- High competition. With six companies operating in the telecommunication sector, there's a great deal of competition. In the primary stage of telecom sector, Grameenphon and City cell were the only companies which operated their business in their own way. They enjoyed the advantages of first mover, but when Banglalink, Robi, Teletalk and Airtel entered the market, the competition took over to a new level. To survive the competition, few companies had to rebrand itself and few had to merge with other companies. Therefore, this is a challenge which the telecom sector will have to face throughout.

CHAPTER TWO

2.1 Company Overview

Banglalink Digital Communications Limited, previously known as Orascom telecom Bangladesh Limited is one of the largest cellular service providers in Bangladesh. It is fully owned by telecom ventures limited, previously known as Orascom telecom ventures limited of Malta, which is a wholly owned subsidiary of Global telecom holding. Global telecom holding is the business combination between Vimpelcom Limited and Wind telecom s.p.a, where else Vimpelcom owns 51.92% shares of Global telecom holding. Vimpelcom limited is one of the world's largest integrated limited telecommunications services operators providing voice and data services through a range of traditional and broadband mobile and fixed technologies, which is headquartered in Amsterdam. It operates in countries like Russia, Italy, Ukraine, Kazakhstan, Uzbekistan, Tajikistan, Armenia, Georgia, Kyrgyzstan, Laos, Algeria, Pakistan, Burundi, Zimbabwe, Central African Republic, Canada and Bangladesh. Vimpelcom is headquartered in Amsterdam and Netherlands. It is listed on the NASDAQ global select market under the symbol "VIP".



Fig: Ownership Structure of Banglalink

[Source: Banglalink Digital Communications Ltd. Annual Report (2014)]

Banglalink was launched in February 2005, which was previously known as Sheba telecom. Banglalink created a remarkable impact initially after their launch. Their services towards the customers by providing them with number of affordable options across a wide range of market segments allowed the company to create an impact overnight. Banglalink's initial success was based on a simple mission; "Bringing mobile telephony to the masses", which worked out perfectly as their main strategy. Banglalink changed the status of the mobile phone usage, where previously it was used as a luxury which changed to a necessity for the general people of Bangladesh. The mobile phone had become the symbol for a positive change in Bangladesh. The brand slogan; "Start Something New" states the company's promise of empowering people with affordable communication solutions so that they can take new initiatives in life. Banglalink believes that, such initiatives will bring positive change for the betterment of the whole nation.

By December 2005, Banglalink managed to engage with one million subscribers and three million subscribers in October 2006. Within two years of operation, by December 2007 Banglalink beat Aktel, now known as Robi Axiata Limited and secured the position of second largest mobile operator in Bangladesh with more than 7.1 million subscribers. As of February 2016, Banglalink has 31.9 million subscribers, representing a market share of 25.46%. Banglalink's growth over the years consisted of their innovative offers and services targeting different market segments, aggressive improvement of network quality and dedicated customer care, creating a widespread distribution network around the country and establishing a strong brand that emotionally connects with Banglalink.

2.2 Company Vision, Mission, Goals, Strategic objectives and Slogan

- Vision. Banglalink started with the vision to engage more customers with the company in order to understand people's needs and create and deliver appropriate communication services to make their life easier. It speaks to make telephony accessible to mass individuals.
- Mission. The core mission of Banglalink is to reach among the mass individuals. Along with their core mission, they have three other missions.
 1. To create segmented approach in terms of product and services
 2. Delivering superior benefits in every phase of the customer's experience before, during and after sales.
 3. Creating optimum shareholder value.

- Goals. Banglalink's main goal is to make the cellular phone affordable to the people of every level at lower cost. The company has set their target or tasks which are adaptable with the market need and structure. The employees pursue those set of targets to sustain and compete in the market. The latest set of responsibilities are;
 1. Achieve a leading position in the Bangladesh mobile market in terms of net additions and ARPM (Average Revenue per Minute).
 2. Segmented approach in terms of product and services.
 3. Improve optimum shareholder value.
- Strategic objectives. The primary objective of Banglalink is to serve better network and coverage to its valuable subscribers and improve their communication level. There are several core departmental objectives to achieve Banglalink's vision and mission.
 1. Providing effective and truthful front line and back office customer care and support to ensure high quality service.
 2. Researching and resolving issues and problems highlighted by the customers.
 3. Retaining valuable customers for the company as well as generate revenue and increase company's profitability.
 4. Maintaining a management team containing culture of high performance and strong accountability.
 5. Treating customers with courtesy respect and consideration at all times.
- Slogan. Previously Banglalink's slogan used to be "Making a Difference". The company believed to make a difference within the common people's life by creating a low cost phone service. Later they changed their slogan and upgraded it to "Start something new". The company believed to make new changes within the society by starting new things in the society.

2.3 Company Structure

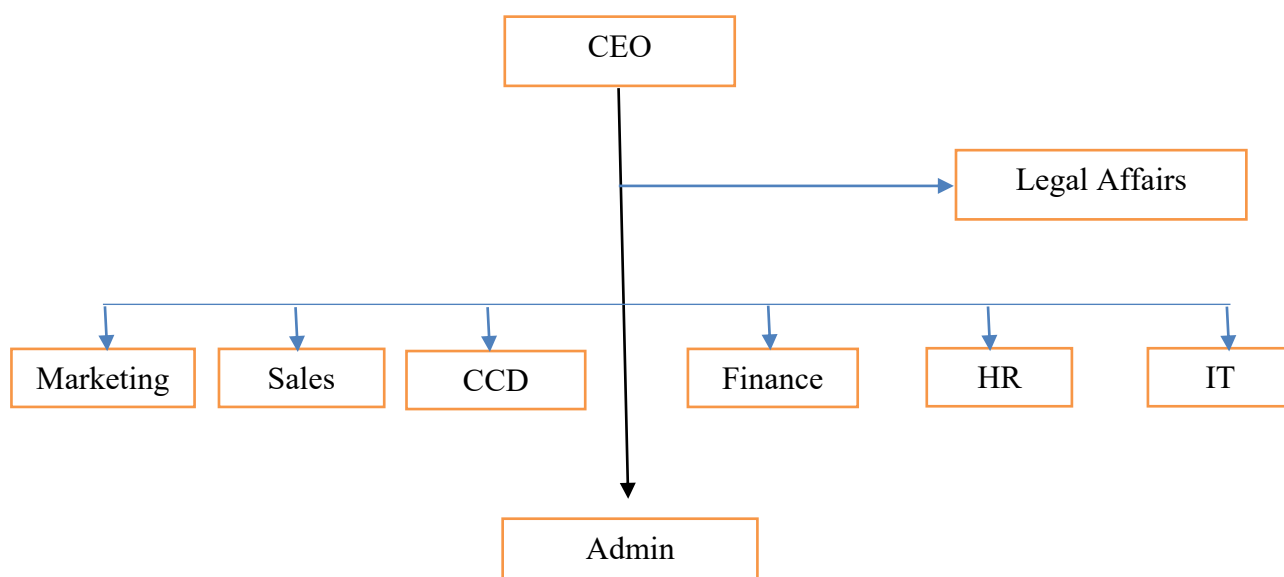


Fig: Company hierarchy

Management Team of Banglalink:

Chief Executive Officer (CEO)	Erick Aas
Chief Financial Officer [as of April,2016] (CFO)	Gulnar Kulybekova
Chief Technical Officer (CTO)	Sanjay Vaghasia
Chief Commercial Officer (CCO)	Shihab Ahmed
HR Director	MonzulaMorshed
Government Relations & Regulatory Affairs Senior Director	Taimur Rahman
Legal Affairs Senior Director and Company Secretary	JahratAdib Chowdhury
Country Compliance Officer	M NurulAlam

2.4 Competitors

There are six telecom companies currently operating in Bangladesh. Among six of them, four are considered to be highly competitive. These are Grameenphone, Banglalink, Airtel and Robi.

Grameenphone:

Grameenphone is the leading telecom company in Bangladesh. Grameenphone is a part of Telenor Group which is operating its business in 13 markets across Europe and Asia. It is basically the joint venture between Telenor and Grameen Telecom Corporation where Telenor owns 55.8% shares of GP and Grameen Telecom owns 34.2% and the remaining 10% is held by public. Grameenphone started its journey in March 26, 1997 building a subscriber base of 55 million as of now. So far GP has invested more than BDT 26,830 crore to build the network infrastructure. Moreover, GP is the largest taxpayer in the country, having contributed more than BDT 43,890 crore in direct and indirect taxes to the Government Exchequer over the years.

Banglalink:

Banglalink is the second largest telecom company in Bangladesh with a customer base of 31.9 million, representing a market share of 24.4%. From the time Banglalink was launched in February 2005, it had created an impact immediately since now. Banglalink was able to create a phenomena that mobile phone can be affordable for every individual and is an available option for customers across a wide range of market segments.

ROBI:

Robi is known to be one of the most dynamic and rapidly growing telecommunications operators in Bangladesh. It is a joint venture company between Axiata Group Berhad of Malaysia and NTT DoCoMo Inc. of Japan. The company initiated its operation in 1997 as Telekom Malaysia International (Bangladesh) with the brand name “Aktel”. The company was re-branded in 2010 as “Robi” and the company changed its name to Robi Axiata Limited, where Axiata holds 92% of the ownership and Docomo the rest. Robi is the third largest mobile phone operator in Bangladesh with a customer base of 27.55 million.

Airtel:

Airtel Bangladesh Limited, previously known as Warid Telecom is one of the fastest growing mobile services providers in Bangladesh. The company is a concern of Bharti Airtel Limited, a leading global telecommunications services provider. In 2010, India's Bharti Airtel Limited took over 70% stakes from Warid Telecom for 300 million US dollars. The deal was approved on January 4, 2010 by the BTRC. Bharti Airtel Limited took management control of the company and its board, and rebranded the company's services under its own Airtel brand from December 20, 2010. With a customer base of more than 10 million, Airtel Bangladesh is the most preferred youth brand of the country that thrives on excellent data service.

Teletalk:

Teletalk Bangladesh Limited is a public limited company, registered under the registrar of the Joint stock companies of Bangladesh. The total number of shares of the company is owned by the Government of the People's Republic of Bangladesh. Teletalk started its operation in 2004 and as on January, 2016, it is the fifth largest mobile operator in Bangladesh with a subscriber base of 4.211 million.

Citycell:

Citycell is the oldest telecom operator in Bangladesh. It is the only company using CDMA and EVDO technology in the country. Citycell is currently owned by Singtel which holds 45% of its share and the rest 55% is owned by Pacific group and Far East Telecom. It is the smallest mobile phone operator in Bangladesh in terms of subscribers, that is 0.867 million.

CHAPTER THREE

3.1 Job Description

During my internship period in Banglalink Digital Communications Limited, I was appointed in the finance department of the company, specifically to work for the fixed assets of the company. In the later months of 2015, Banglalink undertook a project on the fixed assets verification, which was mainly comprised of the physical assets verification of the company. Banglalink being a telecommunication company, its main fixed assets are the BTS (Base Transceiver Station) equipment that is situated on different regions across the country. This verification or auditing of fixed assets was previously done by a third party auditor. The external auditors used to audit the physical fixed assets of the company and submit a report to the fixed asset team of the company. However, this time the company partly took the responsibility of physical asset verification and chose to verify the assets of the Dhaka region itself. Hence, four interns including me were provided with this lengthy and vital job.

3.2 Responsibilities and aspects of job performance:

As per the job description, the job responsibility was very specific and effective. We were provided with a hardcopy document known as PITS (physical inventory taking sheets) which contained the numbers of the physical assets that were visually seen on the sites. The PITS was a hardcopy done by the auditors manually by visiting every single site. This had to be compared with the softcopy document FAR (fixed asset registrar) which was a spreadsheet document containing all the lists of the physical assets along with the numbers of the assets that should have been on the sites as those were purchased. Thus, our main job was to compare the manual list of assets; i.e. the PITS with the list of assets on the spreadsheet. Hence, there is going to be two outcomes, either there are shortages or surpluses of fixed assets on the actual sites. In addition to that, we also had to verify the assets with the photographs of the assets that were taken by the auditors when they visited the sites on their own. The photographs were taken to be accounted for proofs of the asset as it is very difficult to get to the technical sites frequently. Apart from this job, we also had to maintain all the files of the fixed asset department.

- Training during the project. Before starting the project, we had to undergo with a training session with the fixed asset manager of the company. As our main job was to

nurture the fixed assets, it was very important for us to know the names and details of the assets that are used in the telecom company. Gradually, we got to know that the fixed assets of a telecommunication company are very different than other companies. The training not only consisted of the fixed assets but also the vendors that were appointed by the company for the fixed assets. We also got to know that a vast number of vendors work together to prepare a fully operative BTS site.

- Site visiting. To get a clear insight on the physical assets, we were taken on a site visitation by the company. The site that we visited was situated in Gulshan 2. There were other external auditors who went with us. The BTS was situated on the roof of a residential building. We had the opportunity to experience to see the BTS station very closely, observing every technical object and got information about those objects from the local engineer who was supposed to take care of the BTS site.
- Updating of fixed assets. There were a number of external auditors working for the site visitation, checking the technical assets physically. After the visitation and observation, there are certain changes occurring. So these changes have to be accounted in the fixed asset account. Therefore, it was our job to maintain the updated account of fixed assets.
- Registration and cross checking of fixed assets. After the fixed asset accounts have been updated, the manual count of fixed assets had to be compared with the registered account of fixed assets. It was our responsibility to find any surpluses and shortages. The cross checking has to be done too, which is the number of items in the fixed asset registrar should match the items in the PITS.
- Achieving the goal. There were 1,500 physical sites in total situated in Dhaka. And we were given the job responsibility to update, register and cross check each of those sites. Within two month period four of the interns were able to complete the overall inspection and verification of fixed assets of 1,500 sites.
- Reporting. After two months inspection, it was then the time to report the findings. We had a meeting with the fixed asset manager along with the head supervisor of this project, where we disclosed the results.

3.3 Observation and Recommendation:

- ✓ Observation. The verification of physical assets is a very important project of the company. As we all know, fixed assets play a vital role for the growth of the company in the long run, therefore, it was a very responsible job to keep the fixed assets account updated and cross check those accounts. I would say, while undergoing this job I had to be very careful and got a rare opportunity to know about the telecom industry very closely. However, as the company was undertaking this project itself for the first time, there were many complications. Grasping the knowledge of technical fixed assets, which were totally different for telecom companies, was a tough job. In addition to that, as this project was carried on for the first time, there was lack of planning and strategizing.

- ✓ Recommendations. The number of people working for this project was very less regarding how big the project is. More interns should have been appointed in my opinion. However, the internship period is for three months only, but if we would have gotten more time, the outcome of the project could have been better. It was difficult to learn about the technical fixed assets used by Telecom Company as we are not much familiar with those items. Moreover, we didn't receive any feedback from the supervisor or project manager on a regular basis. This reduced our chance to improvisation gradually.

CHAPTER FOUR

Fixed assets are those assets which are purchased by the company at its initial stage, mostly used for production or business purposes. Its benefits are obtained and enjoyed by the company in many years after its purchasing. These assets are not used for selling purposes, but only used for trading and providing better services. The most common examples of fixed asset are land, building, plant and machinery, vehicles, equipments etc. These assets are shown in the asset side of the balance sheet, where the depreciation on these assets is charged.

Fixed assets are very important for the business. Well we can say that without a fixed asset a company cannot physically exist. Fixed assets help a businessman to perform his activities and duties in the best way. Verities of fixed asset make a businessman versatile in every activity of business. Fixed asset also increases the efficiency of a businessman. For an instance, fixed assets like machineries, computer, vehicles for transport increases the efficiency in the work done. Fixed asset is a great savior from many kinds of risk. A businessman can use his own fixed assets according to his needs. Physical fixed assets can give a good impression about the business to the customers and other competitors. If a company has a building and office on its own other than rented office, it gives a good impression and the business stands out among others.

4.1 Importance of fixed assets:

- Corporate governance. Fixed assets act as a big proof of a company to the outside world. A company without fixed asset is literally barren. A company also needs fixed asset to handle the government officers and provide tax. Therefore, to get a good start and impression from the government officials, fixed asset are must.
- Inaccurate depreciation calculations. There is no solution to human errors, but only if we know the amount of fixed assets the company has, mistakes like calculating inaccurate depreciations can be easily avoided.
- Reporting for duty. A master altered resource administration framework will join standard and tweaked reporting and anticipating layouts to permit fast get to as well and extraction of information.
- Tax Compliance. As the cost of fixed asset is being shared in different financial year, companies get tax compliance for this every year.

- Reconciling fixed asset. After using for a certain period of time, the cost of fixed asset are being reconciled for that reason the ledger of any companies get a balance over its transaction.

4.2 How Fixed Assets increase the sustainability of the company:

Generally we know that fixed assets are immovable assets. In reality fixed assets are those assets which can't be sold or consumed during the normal business period. Fixed asset are those asset which are being used for a long time for the progress of the business operation. Every year these assets are being depreciated in a way that the costs of buying this asset are being adjusted in the profit loss account of the organization. Each and every business organization do have fixed asset. Some may have in a bulk amount and some may have in few. Business to business it might vary but the value and the task of fixed asset for all organization are same.

Telecommunication business is mainly service providing business. So, general people might not understand the value of what fixed asset might have to create an impact on the telephonic system every now and then. Moreover, as it is more likely a service providing operational business, the task is done by providing service not using any kind of using any physical asset.

However, the main fixed asset for a telecommunication company is its Telecommunication Plant. Telecommunication plant is that asset which has a life time for more than one year and the value of that plant is more than \$200. It is the main fixed asset which is maintained by its original cost. Moreover, the other fixed asset for telecommunication business are, property which are going to be used for further projects, plants which are under construction, plant which acquired adjustment, non-operating plant, goodwill, equipment for operation and other intangible asset.

Furthermore, there are so many supporting assets which are also sometimes considered as fixed asset for an organization. It may count in its balance sheet and the depreciation of those assets can be termed as operating cost in the profit loss account. They are motor, vehicle, general purpose computers, analog electronic switching, digital electronic switching, electronically switching, operator system, radio system, station apparatus, customer premises writing, public telephone equipment, terminal equipment, poles, aerial cable, underground cable, buried cable, submarine cable and so on. Thus, all of these assets are integral part of

every telecommunication company. Few may show every detail of these assets and few does not but the importance is same for each and every one.

As fixed asset is a vital part of any telecommunication organization, Banglalink is not unlike them. It has also the above mentioned fixed assets which are being taken care of in an intensive way. For this reason, the department of finance of Banglalink has hired interns under an executive to measure the actual value of the fixed asset.

Since, fixed asset are staying with the organization for a longer period of time, they become sustainable for the organization and bring a sustainable growth with the incensement of it in the revenue every year. Banglalink is one of top telecommunication companies of Bangladesh which is continuing doing its operation for a longer period. Its fixed asset is playing a vital role for sustaining the growth of its business as well as it revenue.

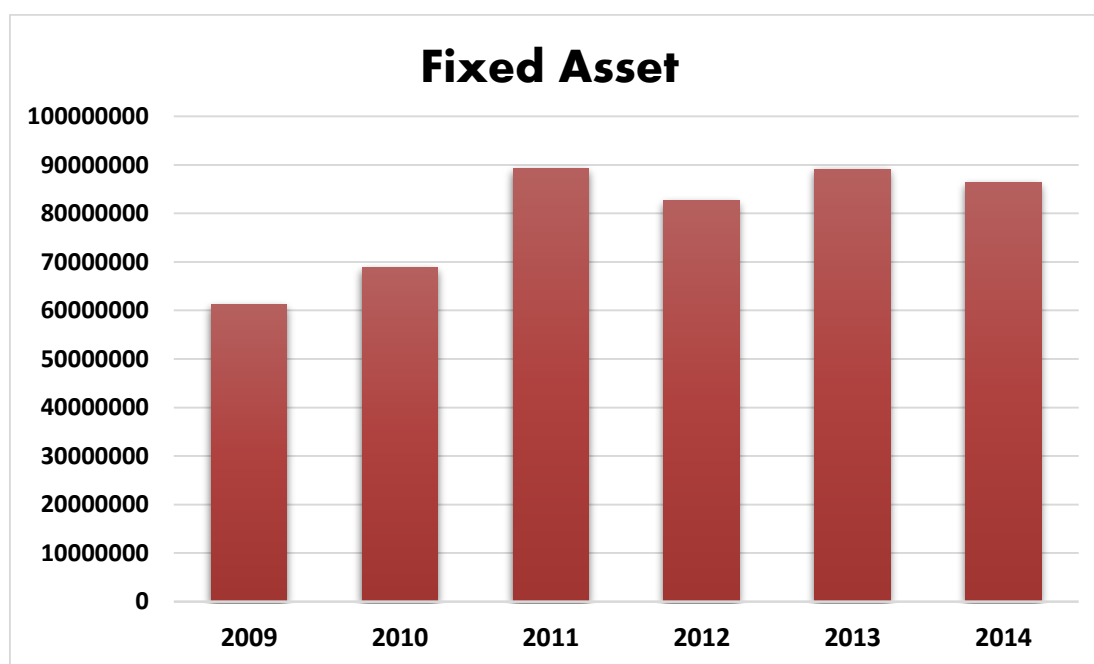
Sustainability is mostly used in environment science to sustain the environmental elements for the future generation. So, it has become the buzz word now-a-days. Starting from the financial institutions to a general store, nowadays every company or accounting entities tries to maintain the revenue in a balance rate, which most likely can be called to be sustainability. That means, sustainability can also be related with financial terms also. Sustainable Finance is the act of allocating capital and the use of capital thinking for the further process and how they will make the productive use of it which will create a social value after a certain period of time. Business sustainability refers to economic value of the organization which needs to adhere with the sustaining asset for generating revenue in an increasing rate.

Fixed asset and sustainability is related to each other. As telecommunication company such as Banglalink is a mostly service providing company which might not have gradual revenue generation and the plants might need a change because of the technical problems. So, it costs a lot for generating fixed assets for telecommunication companies. Banglalink is one of the fastest moving telecommunication companies of Bangladesh. It has an impact on its customer and investors. The fixed assets of Banglalink is in a bulk amount and it shows a good reflection in its revenue's growth.

If we analyze the fixed asset and revenue of Banglalink from 2009-2014 we will find a good breakdown of the sustainability of it.

Year	2009	2010	2011	2012	2013	2014
Fixed Asset	61,191,074	68,829,030	89,235,563	82,615,759	89,152,246	86,379,124

From the above table we can see that the amount of fixed assets of Banglalink is being increasing but with a fluctuating rate.

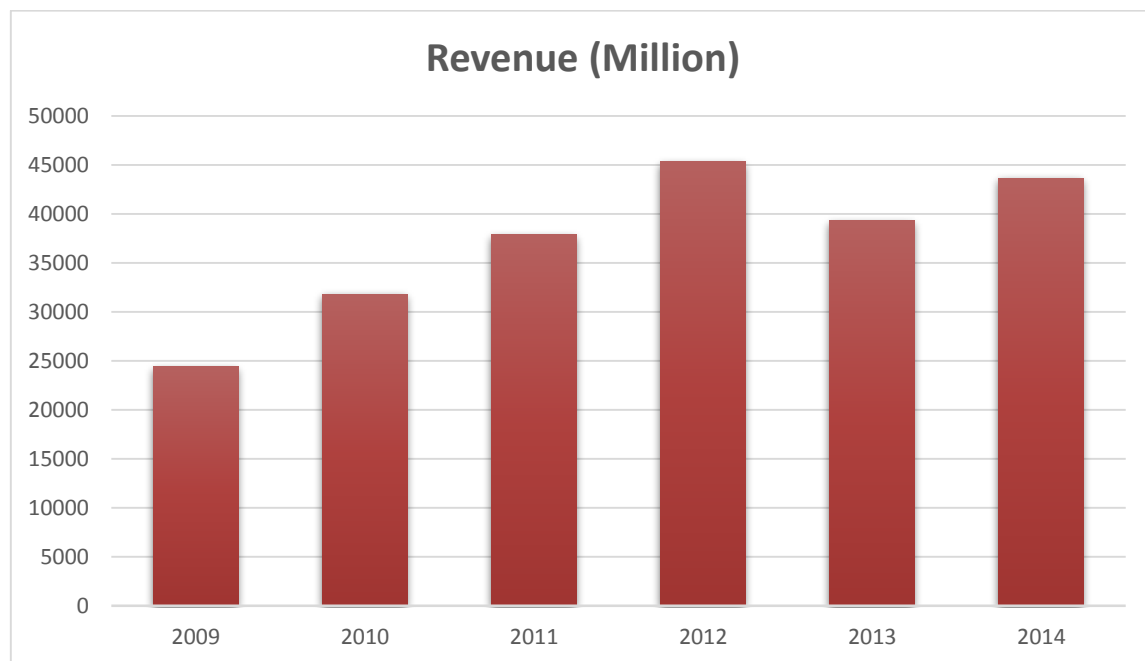


We can see that from 2009-2011, the fixed assets of the organization is being increased but in the year 2012 it has fallen slightly. In 2013, it has increased again but again in 2014 it has fallen but slightly. So, we can say that the fixed asset of Banglalink has a stable growth rate throughout, although in some years it shows that fluctuating rate.

Now, if we look on the revenue generation of Banglalink form 2009-2013 we will also see an increasing rate.

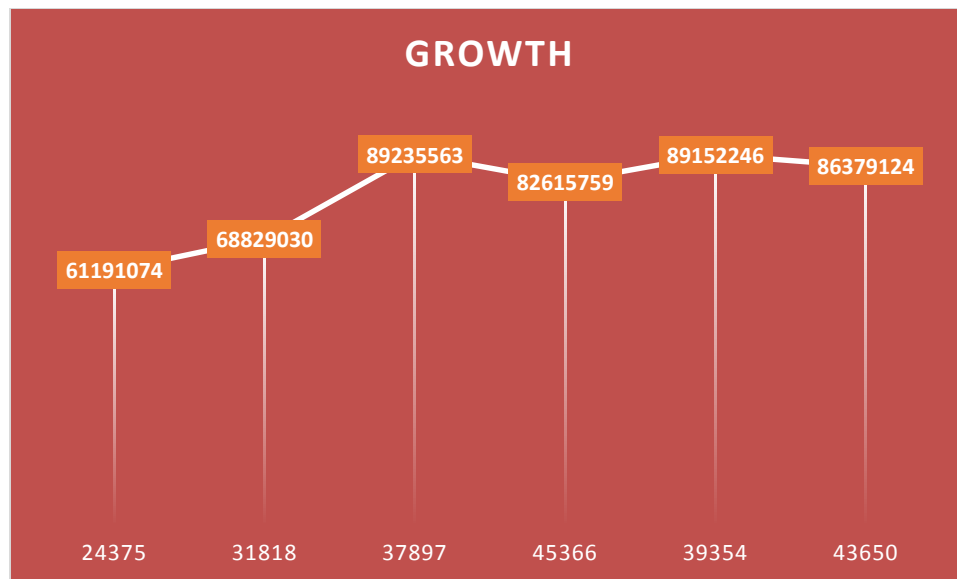
Year	2009	2010	2011	2012	2013	2014
Revenue (million)	24,375	31,818	37,897	45,366	39,354	43,650

We can see from the following table that it has an increasing rate but it also shows a fluctuating rate similar to the rate fixed asset did.



Therefore, we can clearly observe that from 2009-2012 the revenue has increased gradually but in 2013 it has fallen which has recovered by 2014 again. Overall, the company had been showing a very satisfactory growth.

Hence, it is very clear that fixed asset and its sustainability have an impact on the revenue of the company.



The graph above clearly indicates that how the sustainability of fixed asset helps to sustain the growth rate of Banglalink's revenue growth rate. Throughout the years 2009-2014, the fixed asset and revenues have been fluctuating with a consecutive rate. This is very impressive as this helps to create an easy understanding the fixed asset of Banglalink have an effective impact on generating its revenue. Therefore, fixed assets help to increase the sustainability of the company.

In the end, we can say that sustainability of any organization does not depend on only one thing or department but addition to that, it needs every single component to be used effectively to be sustainable. As fixed asset plays most important role in Banglalink, it helps the most to maintain the sustainability of the organization's revenue.

CHAPTER FIVE

5.1 Recommendation

Banglalink Digital Communications Limited is one of the most popular telecom companies in Bangladesh. It has been able to create an impact throughout the country due to its affordability and mass communication. However, there are certain areas that need improvement. During the period when I was attaining my internship, Banglalink was going through a cost cutting measure. They just welcomed their new CEO and the overall procedures have been changing since then. This created a sense of tension among the employees which greatly affected their output of the work. Therefore, they could have created a positive vibe within the environment of the company. Secondly, as a very important project was undertaken just right in the end of the year and a lot of other things were operating together. This kind of created a mess and the higher authorities failed to give a proper guideline to their juniors. This slowed down the work a bit.

Conclusion

Banglalink Digital Communications Limited was introduced in 2005 and since then they have been trying to give the best quality service to its customers. For this reason, Banglalink followed a strong financial base to run their operation. To continue its operation, they have acquired a number of fixed assets to run their operation smoothly. In 2015, Banglalink undertook a project of the verification of fixed assets, which was mainly comprised of the physical assets verification of the company. Banglalink being a telecommunication company, its main fixed assets are the BTS (Base Transceiver Station) equipment that is situated on different regions across the country. This verification and audition of fixed assets were previously done by a third party auditor. The external auditors used to audit the physical fixed assets of the company and submit a report to the fixed asset team of the company. However, as we know the company partly took the responsibility of physical asset verification and chose to verify the assets of Dhaka region itself.

It is a good way to be involved with the operations of the company and keep a record of the fixed assets and verifying them. The Management Team in Finance Department of Banglalink Digital Communications is trying their level best in fulfilling the huge responsibility of completing the project with a greater success rate. I find myself very lucky for being able to be part of this team. I have learnt so many things about the concepts of finance and corporate life during this three month internship period. I believe that working for the finance department in Banglalink Digital Communications Limited and whilst preparation of the report would assist me to build up a better career.